



WHITEHAVEN COAL LIMITED

ABN 68 124 425 396

Level 9

1 York Street

Sydney, NSW 2000

PO Box R1113

Royal Exchange

NSW 1225

Ph: 02 8507 9700

Fax: 02 8507 9701

Web: www.whitehaven.net.au

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MEDIA RELEASE

WHITEHAVEN COAL POSTS RECORD PROFIT FOR FY2009

FINANCIAL HIGHLIGHTS

- Reported net profit after tax (NPAT) of \$244.2 million, including NPAT of \$166.9 million from the sale of 15% of the Narrabri Joint Venture and other Significant Items;
- Underlying NPAT, before Significant Items, of \$77.3 million, almost five times the FY 2008 level;
- A fully franked final dividend of 6.0 cents per share has been declared, payable on 30 September 2009;
- Revenue of \$356.3 million (net of purchased coal and excluding of NSW royalty), up 92% from FY 2008;
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$174.5 million (excluding coal purchases), reduced to \$136.3 million after coal purchases;
- Cash generated from operations of \$135.6 million, compared to \$17.9 million in FY 2008;
- Proceeds received from the sale of Narrabri of \$59.0 million during the year;
- Strong cash flow and financial position - \$131 million cash available with net cash of \$53 million compared to \$80.9 million cash available and net cash of \$25.6 million at 30 June 2008;
- Subsequent to balance date, an institutional placement was completed on 30th July 2009, raising additional net cash of \$177 million. In addition to the institutional placement, a Share Purchase Plan is currently in progress. The maximum amount to be raised under the Share Purchase Plan is approximately \$53 million.

OPERATING HIGHLIGHTS

- Coal sales up 48% (equity basis) compared with previous year (up 42% on 100% basis);
- Saleable coal production up 36% (equity basis) from FY 2008 (up 20% on 100% basis);
- JORC coal resources increased to 761.8 Mt, with marketable coal reserves more than doubled to 278.6 Mt;
- Opencut marketable coal reserves increased to 106 Mt, sufficient to support opencut saleable coal production of 5 Mtpa for more than 20 years;
- Rocglen and Sunnyside open cut mines were commissioned successfully;
- Owner operation was introduced at Werris Creek mine in December 2008, resulting in an increase in saleable production rate from 0.9 Mtpa in Q2 to 1.4 Mtpa in Q4;
- Narrabri Stage 1 construction is track to reach the coal seam late in 2009;
- Rail track upgrades were commissioned, resulting in more paths and longer trains;
- Development of the NCIG port facility is progressing on schedule. First coal is scheduled to be shipped by the end of March 2010.

Commenting on the results, Whitehaven Managing Director Mr Tony Haggarty said:

“These strong results underline Whitehaven’s ability to deliver growth – both in terms of our operations and value for shareholders.

“During the year we successfully brought the Rocglen and Sunnyside mines near Gunnedah into production. In addition, the Werris Creek mine’s performance has improved considerably during the second half of the year, following Whitehaven’s move to 100% ownership and operator in late 2008.

“This means we now have a solid, low-risk open cut business with capacity to produce up to 5 Mtpa of saleable coal for more than 20 years.

“Construction of the world-class Narrabri underground project is advancing well with the coal seam expected to be intersected late this year.

“Development and expansion of our operations is being closely co-ordinated with the associated infrastructure requirements, with both rail and port capacity being developed to meet the company’s short and medium term growth plans.

“We continue to assess bolt-on acquisition opportunities and remain focused on playing our part in industry consolidation.”

FINANCIAL PERFORMANCE

	2009 \$`M	2008 \$`M	Movement
Sales revenue	489.4	252.0	+94.2%
EBITDA before significant items	136.3	34.9	+290.2%
EBIT before significant items	110.0	16.9	+550.1%
NPAT before significant items	77.3	12.9	+499.2%
Significant items net of tax	166.9	38.9	+329.8%
NPAT after significant items	244.2	51.9	+370.5%
EPS-diluted	60.3 cents	14.4 cents	+318.8%

	2009 \$`M	2008 \$`M
Cash on Hand	131.2	80.9
Interest Cover Ratio ¹ (times)	19.45 times	3.80 times
Interest Bearing Liabilities ²	78.2	55.2
Net Cash Position	53.0	25.6
Net Assets	722.8	489.5
Gearing Ratio ³ (%)	-7.9%	-5.5%

¹ EBIT before significant items to Interest Expense excluding FX in financing expense

² Interest bearing liabilities include loans from Rail Infrastructure Corporation for track upgrades (\$21.6 million 2009, \$15.2 million 2008)

³ Net Debt to Net Debt plus Equity

The Whitehaven consolidated group balance sheet at 30 June 2009 showed a strong cash position, which, with proceeds from the subsequent balance date capital raising, gives Whitehaven the financial capacity to fund its program of new project developments and to meet working capital commitments.

Cash flow from operations of \$135.6 million for the year compared to \$17.9 million for FY 2008. Overall net cash flows from operating activities were \$122.7 million for the year versus \$12 million for FY 2008. Closing cash on hand at 30 June 2009 was \$131.2 million, compared to \$80.9 million in FY 2008.

Whitehaven is in the final stages of negotiation with two banks to refinance its existing bank guarantee and FX facilities and to consolidate existing equipment leasing and overdraft facilities. Negotiations are expected to be completed and facilities available for drawdown in September 2009. Whitehaven's current bank is winding down lending support for the mining and resource sectors in Australia and is withdrawing its existing financing facilities on 30 September 2009.

OUTLOOK

Coal demand has slowed as a result of the global economic downturn, however the structural uptrend continues as demand for thermal coal remains strong and demand for metallurgical coal continues to recover, with China importing much larger tonnages of Australian thermal coal and India following.

Supply is expected to remain constrained by infrastructure in the short term, with a general trend to higher production costs, slower and more difficult mine development and increasing time for approvals providing ongoing constraints to new supply.

Australia is well placed to protect and gain market share in the coming years with major Asian power utilities and steel mills looking to Australia as a reliable, long-term supplier of high quality coals.

Contracted coal prices for 2009 hard coking coal settled around US\$128/t FOB, with semi-soft coking and PCI coals settling around US\$80/t. Demand for metallurgical coal is recovering and spot prices are being reported at levels substantially above contract prices.

Thermal coal contracts for 2009 settled around US\$70-72/t FOB. Spot market prices for thermal coal are around US\$72/t with forward thermal coal prices stronger at around US\$77/t for Cal 2010 and around US\$87/t for Cal 2011.

For further information, please contact:

Tony Haggarty – Managing Director
Kate Kerrison – Kate Kerrison + Company

Tel: 02 8248 1257
Tel: 0413 946 704
Email: kate@katekerrison.com.au